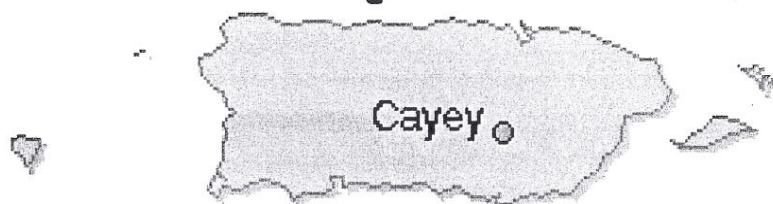




# ***MUNICIPALITY OF CAYEY***

## ***ADMINISTRATIVE PLAN HOUSING CHOICE VOUCHER PROGRAM RQ 018***



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## **I INTRODUCTION**

The Municipality of Cayey has revised its administrative plan so that it can address the merger of the Certificate and the Voucher Program, respectively, in accordance with the Quality Housing and Work Responsibility Act of 1998, 24 CFR 903, Section 545. All references hereinafter are to the regulations currently in effect for the Housing Choice Voucher Program, as they may be amended. Except as expressly provided herein, all of the provisions of the Municipality of Cayey Administrative plan for the Voucher Program will apply to all programs that are currently being administered by this Municipality.

## **II GOALS AND OBJECTIVES**

The design of the Housing Choice Voucher Program is to achieve the following:

1. To promote freedom of housing choice and spatial deconcentration of extremely low income and minority families.
2. To consolidate the Section 8 Voucher and Certificate Programs into a single market- driven program.
3. Create incentives and economic opportunities for residents assisted by PHAs to work and become self sufficient.
4. Increase accountability and reward effective management of PHAs.
5. To provide decent, safe and sanitary housing for eligible families.
6. To provide improved conditions for extremely low-income families while maintaining their rent payments at an affordable level.
7. To provide an incentive to private owners to rent their dwelling units to economically disadvantaged families by offering timely assistance payments and protection



against unpaid rent, damages, and vacancy loss.

With the merger of the Section 8 Certificate and Voucher Programs, respectively, the purpose of this administrative plan is to establish viable policies for items not covered under Federal regulation for the Housing Choice Voucher Program. Other subsidized housing Programs are covered by this same plan.

The Municipality is responsible for complying with all subsequent changes enacted by HUD that pertain to these same programs. Should such changes conflict with this plan, HUD regulations will prevail.

The purpose of the Municipal program is to assist families that are economically disadvantaged and to gradually reduce the amount paid by the program. There is an undeniable need for low-income housing within the PHA jurisdiction as evidenced by the waiting list as well as the 1990 U.S. Census. There also exists a need for quality housing units available for program participants but there is not an abundance of affordable housing for low income families within this same Municipality. Being cognizant of this, our Municipality has established realistic and attainable goals, whereby, particular thought has been given to the number of families which can be expected to need and want better housing. By setting attainable goals, the PHA intends to provide a vehicle for those in need and for those who have available units by coming together in a manner beneficial to both.

### **III HOUSING PROGRAMS OFFERED**

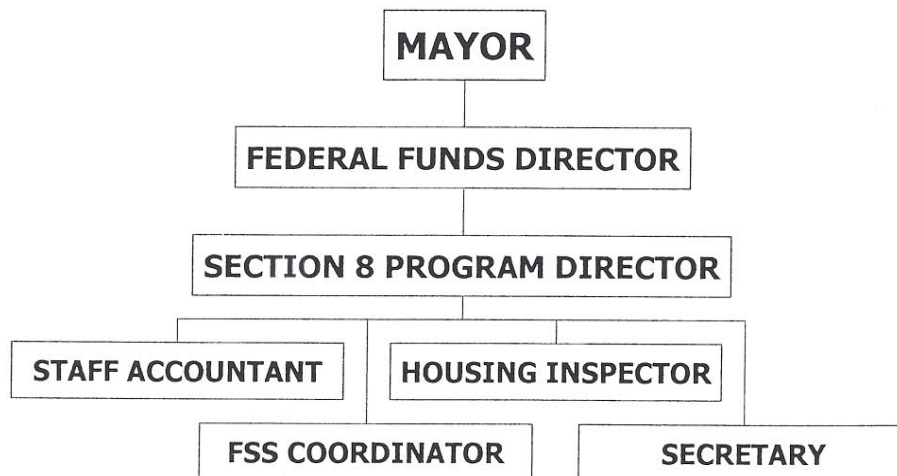
In addition to administering the tenant-based Housing Choice Voucher Program, the Municipality of Cayey has developed and implemented a Family Self-Sufficiency Program to enable eligible low and extremely low-income families who are receiving assistance under this same program obtain economic independence and self-sufficiency. This same program has been designed and operated in accordance with established Federal Regulations as well as all applicable civil rights authorities.

It is the intent of our Municipality to carry out a successful Family Self-Sufficiency Program, in order to attempt to combat the numerous problems of poverty and dependency within our community,

focusing upon, what we believe to be strategies, that will ultimately focus upon both employment and personal self-development. In this regard, it has been our intent to mobilize resources within both the public and private sectors in order to achieve our goal, in accordance with HUD regulations.

#### **IV PROGRAM STAFFING**

The Housing Choice Voucher Program extends the PHA's fiscal responsibility and flexibility to manage subsidy funds and administrative costs in an efficient manner in accordance with QHWR, section 502(b). As a result of this same merger, the staff directly involved in the administration of the Housing Program in this Municipality will be so designated in accordance with the number of units assigned to the Program as stated in the ACC between the Municipality and HUD. The organizational chart for this Municipality is as follows:



The following functions will be performed by the local housing staff:

1. Prepare all necessary documents, budget, forms, and any files which may be required for the efficient administration of the program.
2. Prepare and/or adapt the necessary forms, information, instructions, and material required for the organization and implementation of the subsidized housing program.
3. During the leasing schedule and intake period, the staff will coordinate, supervise, organize, and actively participate in the following:
  - a. Outreach to eligible families and homeowners.
  - b. Determination of family eligibility and tenant selection, so as to ensure compliance with income targeting as stipulated in QHWRA.
  - c. Verification of income and determination of total tenant payment.
  - d. Briefing the family of the various subsidized housing programs approved by HUD and administered by the PHA.
  - e. Briefing the family and issuance of vouchers.
  - f. Compliance by homeowners of Housing Quality Standards as established by existing HUD regulations as well as the required initial, interim and annual inspections.
  - g. Lease approval and contract execution in accordance with existing regulations.
  - h. Provision of housing information and services to recipient families.



- i. Conduct initial, interim and annual certifications as required by HUD regulations.
- j. Briefing of the family on established regulations concerning mobility and portability to ensure compliance with QHWRA of deconcentration of families.
- k. Prompt HAP payments to participating homeowners.
- l. Briefing of the families and participating homeowners concerning existing HUD regulations about terminations and evictions.
- m. Monitoring applicable payment standards as established under QHWRA which is to be set between 90%-110% of the Fair Market Rents for the PHA jurisdiction.
- n. Assure compliance of security deposits and claims for damage and unpaid rents.
- o. Briefing of families concerning the policy for informal hearing for denial, reduction and/or termination of assistance as required by existing HUD regulations.
- p. Compliance by Families in the other subsidized housing programs that maybe administered by the Municipality.

## **V OUTREACH EFFORTS**

### **A. Eligible Families**

A public notice will be published announcing the opening and closing of the waiting list in a newspaper of general circulation. Afterwards the publication will be posted prominently in all local government facilities, and other public buildings informing all interested individuals, families, and groups of both the intent, purpose,



and eligibility requirements of the program itself, as well as indicating both the time and place where additional information may be obtained in accordance with existing HUD regulations.

Special outreach efforts such as conducting field canvassing in low income areas, where living conditions are such, as to make existing residents' possible prospects for being participants under this same program. Inform all local civic organizations as well as State agencies located within the Municipality of the existence of the program, and request their assistance in disseminating information regarding the program to their respective members or clientele served.

It should be noted that all notices and outreach methods utilized under the program will be carried out in accordance with both Equal Opportunity and Non-Discrimination laws in existence as they relate to housing.

#### B. Homeowners

Contact with prospective homeowners and real estate brokers will be made by advertisements in local newspapers inviting them to participate within the program. Informational correspondence will be directed to the local Real Estate Agents, merchants, local banks, mortgage companies and professional organizations informing them of the program and its benefits so as to enable them to properly inform their respective clients. Efforts will be made to reach the maximum number of owners and real estate brokers within our community.

It is the intent of the Municipality to create a special informational brochure for homeowners and tenants providing basic but complete information on all major aspects of the program.

When both staff and time considerations permit, a field survey will be made in those areas where acceptable housing is available to determine the location of possible additional dwelling units.

A program policy will be established ensuring good communication among all parties, as well as prompt, accurate, and timely payments to individual homeowners, hence, encouraging the homeowner's confidence in continuing to participate within the program. This in turn will encourage other homeowners to participate within the program.

The Municipality of Cayey believes very strongly that it must encourage owners to make units available for leasing in the program, including owners of suitable units located outside areas of poverty and racial concentration by the following methods:

1. The Municipality will make personnel available to speak before fraternal, social and religious groups, in order to inform the membership of these same groups of the policies, benefits, and program requirements of leasing units by homeowners under these same programs.
2. Post notices in public places in order to advise those interested persons, parties, and groups where information regarding the leasing of units may be obtained.
3. Affirmatively further fair housing goals and comply with equal opportunity requirements by visiting homeowners of suitable housing units outside of minority areas so as to explain the program's operational policies, as well as the numerous benefits to be derived from participating within this same program.
4. Conduct other outreach programs such as conducting public hearings in order to explain program benefits and policies to not only prospective homeowners but also to prospective tenants as well. The public hearings will be held at centrally located places at times convenient to the general population.

## **VI Policies and Procedures**

- A. The following have been repealed under the QHWRA regulations recently enacted:
  1. Take one-take all;
  2. Shopping incentive;
  3. 3-month holdback;
  4. Federal preferences have been eliminated.

- B. The following will be adhered to by the PHA:
- ☐ The PHA will promote a greater choice of housing opportunities for eligible families beyond the municipality's jurisdiction or MSA, when necessary.
  - ☐ Families holding a voucher will be advised that it is their responsibility to find an existing unit suitable to their individual needs within the PHA's jurisdiction or MSA.
  - ☐ By no means will the actions of the Municipality reduce, directly or indirectly, the opportunities of the family to choose among the available units in the housing market.
  - ☐ The voucher holder will be advised that he or she may select a unit which he already occupies if the unit qualifies as existing housing and meets or can be made to meet the Housing Quality Standards.
  - ☐ Upon request, the Municipality will provide, without limiting opportunities of families to select assistance in finding units to those families who because of age, handicap or other reasons are unable to locate such approved housing units.
  - ☐ Information on available units which may become available to the municipality because of its program and outreach efforts to attract new owners, will be posted in the owners' registry and in no way will the Municipality direct a family to a specific property thus limiting their right to choose and select.
  - ☐ Where a family alleges that illegal discrimination is preventing them from finding a suitable unit the municipality will provide reasonable assistance this matter by directing the aggrieved to the necessary agencies.
  - ☐ When circumstances permit, communications with neighboring PHA's will be established to offer available vouchers to families which may be participating in the Housing Choice Voucher Program of the other PHA but are contemplating moving to the area of operation of the



Municipality.

## **VII Completion of Application Process and Determination of Family Eligibility**

Persons that are both interested and qualify under the subsidized housing program will be provided with the necessary applications, and will receive a briefing on the programs offered by the local PHA. Specific days of the week will be established to receive applications, so as to permit sufficient time to properly carry out the administrative requirements of the program in an acceptable manner, that is in compliance with existing regulations.

The Section 8 Program Director will assign numbers to each application received, and maintain a list of qualified candidates assuring equality and fairness to all persons under this program.

If during the application stage it can be determined, and it is obvious, that a family will not be eligible because of exceeding income limits due to too few or too many household members for the voucher size authorized by ACC, etc., no additional documents and materials will be requested from the family to avoid unnecessary waste of time and expenses. The family will be so advised, and the municipality will also notify the family in writing indicating the reasons and affording them an opportunity to request, within a reasonable amount of time, an informal hearing. However, the family will be encouraged to reapply should the circumstances change.

All information requested within this same form will be obtained at the interview with the applicant, and that which must be verified, will be verified by the appropriate Housing staff official assigned to the case.

People with applications not expected to be awarded vouchers upon completion of their files because their number in the waiting list is far higher than the number of available vouchers as per the ACC and number of bedrooms which may be available will be so advised. If a date can be determined as to when the voucher can be issued they will in fact be told, otherwise, they will be advised that based on the date and time of the completed application, if the family was found to be eligible, and once there are additional vouchers, they will be notified



of the same. The families will be informed that their applications are valid for one year only and in order to maintain their case file opened they must renew their application on a yearly basis. The PHA will inform the families accordingly in writing.

The records of cases where families have been determined ineligible or their contracts have been terminated, the PHA will retain these documents for three (3) years such as: (1) copy of the application, (2) notification letters, if applicable, (3) the applicant's response, if any, the record of any informal hearing, and statement of final disposition. Furthermore, records pertaining to eligible families and those under a lease, will be maintained within the active file unless the family becomes ineligible or terminates its contract.

The application forms will contain both date and time of filling, and will be signed by the applicant or applicant's spouse and by the interviewer from the Municipal Staff which processed the family. Application forms will be reviewed by the Section 8 Program Director and properly identified with the Director's initials.

A. Verification Procedures

Once the family has filed an application and has provided evidence required to complement it, office personnel must verify with sources and references all basic information given by the applicant by means of a personal interview, telephone contact or by mail. When all information is verified and the family is determined eligible by a certification form which must be filled out by the Municipal staff in charge of the case, they will be placed on the waiting list.

An on-site visit will be conducted by the Section 8 staff to verify the validity of the conditions under which the family is currently living to ascertain the accuracy of the information given by the prospective family. The evaluation report as well as the one for unit will form part of the file.

After the families have completed their applications, except those that for obvious reasons will not qualify, a series of documents will be requested from them and they will be required to bring these documents within a reasonable period specified by the intake Housing Staff member. The family will be given a sheet outlining the necessary documents needed to complete their file. The

Municipal staff will go over the list and inform the family that should they not be able to comply with the time set, their respective application will be withdrawn and case considered closed. To ensure that the family understands and is in agreement, the form will be signed by the family and the Municipal staff attending the family. A copy will be given to the family.

Should the family again be interested in applying and the waiting list opened, they would be required to start by completing a new application based on the new date and time, thus, determining the position or number on the waiting list. This same procedure will be used when a candidate family is summoned for a voucher issuance.

B. The following items will be requested from the applicant family and verified:

- |  |   |
|--|---|
| 1. Family Composition                                | Birth, marriage and birth certificates, a family photograph, sworn statements, school records |
| 2. Special Medical Needs which require larger units. | Medical Certificates  |
| 3. Income from wages                                 | Verification from the employer  |
| 4. Social Security                                   | Verification from the S.S. office or through HUD's website.                                   |
| 5. Income from wages                                 | Verification from the employer.   |
| 6. State Disability and other pensions               | Verification forms from an employer.  |
| 7. Welfare payments                                  | Verification from the State Department of the Family agency.                                  |
| 8. Alimony and child support court Records.          | A copy of the divorce decree  |
| 9. Unemployment compensation                         | Verification from the State Department of Labor (Form W-5).                                   |
| 10. Family financial Assistance                      | Letter form from a benefactor.  |
| 11. Family type (Elderly or Disabled)                | From appropriate agency granting benefits and birth certificate.                              |
| 12. Full-time student status                         | A letter from school or college.  |

- |                                   |  |
|-----------------------------------|--|
| 13. Scholarships-grants           | A written confirmation from the source of benefits, as well as confirmation from an Education Institution as to cost. The net balance is the amount available for subsistence. |
| 14. Income Interest and Dividends | Verification from bank, or financial institution, bank passbooks, etc  |
| 15. Assets                        | A Certificate of Good Conduct from State Police Department this as per QHWRA of 1998.  |
| 16. Other                         | Any other document deemed necessary for the family applicant to qualify for the subsidized housing program under established HUD regulations.                                  |

C. Factors that will be used to Determination Eligibility

In determining the eligibility of the applicant family, the following factors will used for such determination:

1. Family income so as to comply with Part VII, Section B of this administrative plan.
2. The health condition of the family.
3. The conditions under which the family is currently living at the time of the application.

## **VIII Selection of Applicants**

A. Admission of a family applicant

The PHA may admit an applicant for participation into its subsidized housing program as:

1. Special admission;
2. Waiting list admission.



B. Targeting

In accordance with 24 CFR part 5, subpart F, section 5.607(b), not less than 75 percent of the families admitted to the Municipality of Cayey subsidized housing program during the Municipality's fiscal year will be families whose annual income does not exceed the following amounts:

1. 30 percent of the area median income, with adjustments for smaller and larger families;
2. A higher or lower percent of the area median income, if HUD determines a higher or lower percent is necessary because of usually high or low family incomes.

C. Conversion of assistance

Conversion of assistance for a participant in the Municipality of Cayey Certificate Program to assistance in the Housing Choice Voucher Program does not count as an "admission," and is not subject to targeting as set forth in Part VIII, section B of this administrative plan.

D. Inapplicability of targeting

Admissions of the following categories of families are not subject to targeting under Part VIII, section B of this administrative plan:

1. A low income family that is continuously assisted under the 1937 Act.
2. A low-income or moderate-income family that is displaced as a result of the prepayment of the mortgage or voluntary termination of an insurance contract on eligible low-income housing as defined in 24 CFR part 5, section 248.101.

E. Use of family's income

The annual income (gross income) of an applicant family



is used both for determination of income-eligibility under 24 CFR part 5, section 5.601(c) and for the Municipality of Cayey income targeting as set forth in Part V, section B of this plan.

F. Administration of Waiting List

1. Except for special admissions participants must be selected from the PHA waiting list. The PHA must select participants from the waiting list on a first-come, first-served basis, in accordance with this same plan, which includes Equal Opportunity.
2. The PHA has agreed to cooperate fully with HUD, in respect to when HUD provides funding to the PHA for a special purpose such as desegregation, Family Unification, etc., including but not limited to including funding for specified families and/or a specified category of families. The PHA has further agreed to issue the required voucher.

G. Organization of the Waiting List

The PHA must maintain information that permits the PHA to select qualified participants from the waiting list in accordance with PHA admission policies. The waiting list should contain the following information:

1. Applicant names
2. Family composition (adults/children, age/sex)
3. Date and time of application
4. Qualification for any ranking preference or local preference
5. Racial or ethnic designation of the head of household
6. Number of bedrooms that the family can occupy based on this Municipality's occupancy standards in with established HUD regulations and Part VII, Section H of this administrative plan.

7. ***Programs for which the PHA feels that the family qualifies for and would be interested in participating in under the umbrella of the subsidized housing program being administered by the PHA. Should the family not be interested in participating in any special program, this will not affect the place and position of the family on the waiting list.***

H. Occupancy Standards

Based on the family composition the subsidy to be paid will be based upon the unit size that the family is eligible to occupy. The following table will be used to determine unit size for the family:

<b>Unit Size</b>	<b>MINIMUM NO. OF PERSON IN HOUSEHOLD</b>	<b>MAXIMUM NO. OF PERSONS IN HOUSEHOLD</b>
0 BR	-0-	-1-
1 BR	-1-	-2-
2 BR	-2-	-4-
3 BR	-4-	-6-
4 BR	-6-	-8-

A family may select a unit that is larger than the bedroom size authorized by the PHA but the family must pay the increased cost unless an owner is willing to accept a lesser rent.

I. Opening the Waiting List

1. When the PHA opens a waiting list, it will publish a public notice informing all interested families and homeowners of the opening of a new waiting list. The public notice will state where and when to apply and/or to receive additional information on all aspects of the program.

2. The PHA must provide the public notice publication in a local newspaper of general circulation, which should also include minority media.
3. The public notice among other things must state any limitations if any, on who may apply.
4. When the waiting list is open, the PHA must accept applications from families for whom the list is open, unless there is good cause for not accepting the application.

J Closing the Waiting List

1. The PHA at its discretion will determine that the existing waiting list does contain an adequate pool for use of available program funding and may stop accepting new applications.
2. However, even if the PHA is not otherwise accepting additional applications from those applicants who demonstrate a need beyond extraordinary circumstances and/or qualify under of the programs being offered by the PHA, said application will be accepted and so classified when placed on the waiting list.
3. When a decision has been made to close the existing waiting list, the PHA will publish a public notice in a local newspaper of general circulation advising all interested persons, parties, and groups of the same.

K Updating the Waiting List

The waiting list will be updated on an annual basis to ensure that it is current and accurate. This will be accomplished by the following procedure:

1. A letter will be mailed to the applicant's last known address.



2. The notice will inform the applicant family that a year has passed and information will be requested regarding their continued interest in maintaining a place on the waiting list.
3. A time limit will be established in the notice, whereby, the applicant will be request to pass by the PHA main office to file an updated application. By visiting the PHA main office to file an updated application, the family has demonstrated interest as well as assured itself of continuing their position for one year on the waiting list.
4. If the PHA fails to receive the applicant notice or renewed application of continuance, the applicant's name will be removed from the waiting list.
5. The applicant family will have 15 days to respond to the notice upon receipt of said notice. The PHA does not accept responsibility for any mail delay or non-deliverance by the Post Office.

L. Issuance of Voucher

1. Prior to selection of a qualified family from the waiting list, all information will be verified so that it is up to date and in accordance with 24 CFR part 5, subpart F.
2. When a qualified family has been selected, the PHA will issue a voucher to the family which would allow them to search for a unit.
3. The family will be notified via a certified letter informing them of their selection and affording them the opportunity to participate in the PHA's Housing Choice Voucher Program. This same notification will contain the date and time which the family must present itself to accept the voucher and at which time the family will be receiving a briefing outlining the rules and regulations of the



program, as well as the participant's packet.

4. Initial Term

The initial term of a voucher must be at least 60 calendar days. This initial term will be stated on the voucher.

5. Extensions of Term

At its discretion, the PHA may select to grant a family one or more extensions of the initial term. However, the initial terms plus any extensions cannot exceed a total period of 120 calendar days from the beginning of the initial term in accordance with established HUD regulations. The approval of any extension to a family will be in written form.

6. Reason for Granting Extension

If a member of the family is a disabled person, or is suffering from a serious illness, the PHA may contingent upon individual circumstances, grant the required extensions up to a maximum of 120 days.

Likewise, should there be a death or other serious impediments within the immediate family, which would preclude this same family from participating both actively and freely in the location and selection of suitable, safe, decent, and sanitary housing, the PHA may at its discretion grant extension up to a total of some 120 calendar days including the initial term of some 60 calendar days.

7. Suspension of Term

It is the policy of the Municipality of Cayey to grant a family a suspension of the voucher terms if the family has submitted a request for lease approval during the term of the voucher.

At its discretion the Municipality of Cayey may grant a suspension for any part of the period after the family has submitted a request for lease approval up to the time when the Municipality approves or denies said request.

8. Progress Report by the Family to the PHA

During the initial or any extended term of the voucher, the Municipality of Cayey will require the family to report their progress in leasing a unit. These same reports may be accomplished by personally either visiting or telephoning the Municipality every 30 calendar days.

M. Briefing

1. The families will be briefed in a detailed manner about the Housing Choice Voucher Program. In accordance with 24 CFR Section 982.301(a), the following will be discussed in the briefing:
  - a. Family and owner responsibilities.
  - b. Where the family may lease a unit, including renting a dwelling unit inside or outside the PHA jurisdiction.
  - c. If the family qualifies to lease a unit outside the PHA jurisdiction under portability procedures, the briefing will include an explanation of how portability works.
  - d. If the family should have a disabled person, appropriate steps will be taken to ensure effective communication in accordance with 24 CFR 8.6.
2. In compliance with 24 CFR Subpart G, Section 982.301(b), the participant's packet will contain the following:

- a. The term of the voucher and the PHA policy concerning extension of the term. Said policy will contain information concerning how the family may request an extension.
- b. Request for lease approval and an explanation on how to request PHA approval to lease this same unit.
- c. Required lease provisions and instructions for the preparation of the lease between owner and tenant as per QHWRA regulations.
- d. Lead base paint notices
- e. Fair housing information and a statement of the PHA policy on providing information about a family to prospective owners. A copy of the housing discrimination complaint form.
- f. Utility allowance schedule
- g. Informal hearing procedures
- h. General information on how families are selected, how the PHA determines the housing assistance payment for a family and how the PHA determines the maximum rent for an assisted unit.
- i. General information about Housing Quality Standards.
- j. What the family should consider in deciding whether to lease a unit is as follows:
  - 1. The condition of the unit;
  - 2. The reasonability of the rent;



3. The cost of any tenant-paid utilities;
  4. Whether the unit is energy efficient;
  5. The location of the unit, including proximity to public transportation, center of employment, schools and shopping.
- k. Program brochure and FSS brochure
  - l. Where the family may lease a unit.
  - m. The HUD brochure on how to select a unit
  - n. A list of landlords or other parties known to the PHA who may be willing to lease a unit to the family or assist the family in finding a unit.
  - o. Information on the PHA's grievance procedures
  - p. Family obligations under the program.
  - q. The grounds on which the PHA may terminate assistance for a participant family because of a family action or failure to act.

Additionally, when this same packet is presented to the participant, a member of the Housing Staff will review each document in detail so as to ensure that the participant is fully cognizant of both his or her rights and responsibilities under the program. This procedure complies with 24 CFR Subpart G, Section 982.301.

## **IX Redetermination and verification of family income and composition**

### **A. Initial determination and regular determination**

Initial certification (regular determination) will be carried

out prior to the signing of the HAP contract between the Municipality and the owner.

B. Redetermination of family income

Redetermination of family income and composition will be conducted on an annual basis by the Municipality as specified in 24 CFR part 5, subpart F. All redetermination will be effective on the anniversary date of the HAP contract.

Ninety (90) to seventy-five (75) days prior to the expiration of the HAP contract, the participating family will be notified in writing that an annual reexamination will be made in the following order:

- 90 to 75 days initial notice
- 60 days second notice
- 30 days final notice
- Cancellation notice due to noncompliance by the family

Step 1: An initial 90 to 75 -day notice will be sent to the family requesting that they fill out a recertification application (form included with notice) and a scheduled interview. The tenant will be interviewed and the following documents will be requested based on the information provided:

1. Signed consent form to release information;
2. Sign verification of income form;
3. Change in family composition:
  - a. Copy of S.S.N. card
  - b. Copy of birth certificate
  - c. Photograph

d. Sworn Statement

4. Form W-5 from the State Labor Department;
5. Verification of student status if deem necessary (under the new regulations a full-time student is defined as a person who is attending school or vocational training on a full-time basis);
6. Issuance of Certificate of Good Conduct from the State Police Department;
7. Any other document that are deemed necessary, so as to complete the recertification process of the family;
8. A date will be set for submitting the requested documents.

Step 2: During the follow-up notice, the Municipality will make a second request in writing requesting those items not submitted or received in order to complete the reexamination process. The Municipality will begin to compile the information received, assure for completeness and accuracy, and will follow-up on third party verification, thus, initiating the necessary action to certify said information. The appropriate form designated by the Municipality will be prepared and said form will be signed by the family. Form 50058 will also prepared so that the verified information can be entered into the system and electronically sent to MTCS in accordance with existing HUD regulations.

Step 3: The yearly mandatory inspections will be carried out and both owner and family will be notified in writing of the results of the reexamination and changes in family contribution or eligibility for the unit they may occupy if any. A final notice will be issued that will contain a scheduled date to sign the addendum to the original contract reflecting these same changes for the coming year.



In the event that for some unforeseen reason there is a delay in completing said reexamination, the owner and tenant would be notified of an extension, under the same terms and conditions presently existing, until the reexamination is completed. Families that do not comply with the submission of documents for the annual reexaminations once given all opportunities will be notified of their cancellation as participants within the program and will be advised of their rights as well as informed that they are entitled to request an informal as established in this plan. The final determination of said hearing will be maintained with the family's file. A copy of the determination will be directed to the owner stating that the housing assistance payments will be discontinued.

### C. Interim Recertification Policy

When a participating family, due to unforeseen or temporary events, requests an adjustment in the family contribution, the documents submitted or the reasons will be verified by the Section 8 Program Director. The common reasons for a family to make this request are: (1) Loss of income or job, (2) Medical Expenses (Applies to Elderly or disabled Family only); (3) Increase of family composition.

Interim recertification of income and change of family composition will be conducted by the housing staff within a responsible time after the family has made such request. When a tenant family comes in to inform of any changes not directly related to their annual reexamination, Form 50059 will be prepared and signed by the family.

After the interview, the following forms/documents are requested:

1. Signed recertification/redetermination form;
2. Signed consent to release information, if applicable;
3. Signed verification of income form, if applicable;
4. Change in family composition (same as in annual recertification);

5. W-5 form for any member who claims to be unemployed;
6. A certificate of good conduct from the State Police Department, (if applicable);
7. Whatever document is deemed pertinent for the completion of the recertification process.

Upon filling out the recertification form, the Housing Department will request the aforementioned documents from the participant family and a date will be scheduled by the Municipality for the family to present its situation to the Section 8 Program Director. This will allow the family to comply with the documents requested by the Municipality as well as the verification of the validity of the information provided by the family in accordance with 24 CFR part 5, subpart F, section 982.516.

In accordance with established federal regulations, the case will be analyzed with the existing conditions and a new computation of tenant rent will be prepared. A notice will be sent to both the tenant and landlord informing them of the changes and the dates that they will become effective. For certain extraordinary reasons this determination could in fact be ruled retroactively. The correspondence notifying both the family and the landlord would constitute a valid amendment to the lease and Housing Assistance Payment contracts, respectively.

The tenant will be instructed to notify the Municipality of any change of the conditions which originated the verification and periodic reexaminations would henceforth be scheduled. The family will be advised, that failure to comply with this same condition, could result in a decision to increase the family participation, effective the condition, which originally caused the adjustment ceased to exist.

#### D. Adjusted Income

Adjusted income means annual income of the members of the family residing or intending to reside in the dwelling unit, after making the following mandatory deductions as per 24 CFR part 5, section 5.61:

In determining adjusted income, the Municipality will deduct the following amounts from annual income:

1. \$480 for each dependent;
2. \$400 for any elderly family or disabled family;
3. The sum of the following, to the extent the sum exceeds three percent of annual income:
  - a. Medical expenses of any elderly family or disabled family not reimbursed; and
  - b. Reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with a disability to the extent necessary, to enable any member of the family (including the member with a disability), to be employed that is not reimbursed.
4. Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education;
5. The amount of any earned income of a family member (other than the family head or spouse) who is not 18 years of age or older.

## **X Selection Preferences**

### **A. Local Preference**

According to the Quality Housing and Work Responsibility Act of 1998, federal preferences as we know them have been eliminated and in its place the local preferences based on the needs of the people will prevail.

In order to comply with the Federal law, the Municipality has agreed to give preference for selection of families on the waiting based on the following:



1. Victims of Domestic violence;
2. Families that will be broken up due to removal of young children by the State Family Department or families that will be united by the return of the children but do have decent housing;
3. Involuntarily displaced;
4. Homeless or living in substandard housing;
5. Paying more than 50 percent of income for rent
6. Single person with a disability or any member of the family applicant with a disability except under the provision set forth in Section 24, subsection B of this administrative plan
7. Single elderly person or family applicants with an elderly person.
8. Other Preferences such as:
  - a. Working families and those unable to work because of age or disability;
  - b. Veterans and veterans' families;
  - c. Those enrolled currently in educational, training, or upward mobility programs-for participants who wish to enroll in any future program that is established bearing a goal in mind of achieving self sufficiency and Homeownership.

Additionally, the Municipality will further comply with Federal Regulations which state that not less than 75% of new families must have incomes at or below 30% of the area median income within the Municipality's fiscal year. All other admissions generally will be at or below 50% of the area median, or up to 80% for families that meet eligibility criteria as set forth by the Municipality.

B. Qualifying for a local Preference

- Victims Domestic Violence: An applicant qualifies for domestic violence if the applicant is living under conditions which threaten the well being, health and safety of the family by an abusive member.
- Maintaining families together: An applicant qualifies for this preference when a family is threaten by a State Child Welfare Agency with the removal of the children due to inadequate housing or child abuse. This will ensure that the children who remain with, or who are reunited with, their families are safe, secure and not subject to neglect as a result of homelessness or inadequate housing.
- Displacement: An applicant qualifies for this preference if:
  1. The applicant has been involuntarily displaced and is not living in standard, permanent replacement housing; or
  2. The applicant will be involuntarily displaced within no more than six (6) months from the date of preference status certification by the family or verification by the PHA.
- Substandard Housing: An applicant qualifies for this preference if the applicant is living in substandard housing. An applicant that is homeless, living in overcrowded conditions or in a shelter for the homeless will be considered as living in substandard housing.
- Rent Burden: An applicant qualifies for this preference if the applicant is paying more than 50 percent of family income in rent.
- Certification of Preference: An applicant may claim qualification for a Local Preference by certifying to

us as the PHA, that the family qualifies for a local preference. The PHA has agreed to accept this certification, unless we as the PHA verify that the applicant is not qualified for a local preference.

- Verification of Preference: Before an applicant is admitted on the basis of the local preference, the applicant must provide information needed by us as the PHA in order to verify that the applicant qualifies for a local preference because of the applicant's current status. It is further agreed, that the applicant's current status must be determined without regard as to whether there has been a change in the applicant's qualification of a local preference between the certification and selection for admission, including a change from one local preference category to another.
- Retention of Preference: The PHA has agreed, that if a Housing Choice Voucher Program applicant is currently receiving tenant-based assistance under the "HOME" program (24 CFR part 92), the PHA determines whether the applicant qualifies for the Housing Choice Voucher Program local preference based upon the situation of the applicant at the time the applicant began to receive tenant-based assistance under this same "HOME" program.
- Persons with disabilities: No individual will be considered to be a person with disabilities for purposes of eligibility solely due to their drug or alcohol dependence.

C. Notice and Opportunity for a Meeting where the Local Preference is denied

If the PHA should determine that an applicant does not qualify for a Local Preference, the PHA must promptly give the applicant written notice of said determination. This notice must contain a brief statement of the reasons for the determination, and state that the applicant has the right to meet with a PHA representative in order



to review the determination.

This same meeting may be conducted by any person or persons designated by the PHA, who may be an officer or employee of the PHA, including the person who made or reviewed the determination or a subordinate employee. Additionally, the applicant may exercise other rights if the applicant believes that he or she has been discriminated against on the basis of race, color, religion, sex, national origin, age, disability or family status.

## **XI Income Limits**

As set forth in Federal Regulations, Section 545, eligibility is limited to the following:

- Extremely and very low-income family based on the income limits published by HUD annually;
- Low-income family previously assisted under the public housing, Section 23, or Section 8 programs;
- Low-income family that is a non-purchasing tenant of certain home ownership programs;
- Low-income tenants displaced from certain Section 221 and 236 projects;
- Low-income families that meet PHA-specified eligibility criteria;

PHA's will be established so as to offer available vouchers to families which may be participating in the subsidized housing program of the other PHA but are contemplating moving to the area of operation of the Municipality.

## **XII Rent Determination**

### **A. Total Tenant Payment**

Computation of the total tenant payment will be

determined in accordance with 24 CFR Part 5, Section 5.613. The computation of TTP will be made once all income has been duly accounted and properly verified and all credits and unusual expenses have been determined eligible under the other applicable factors.

B. The total tenant payment will be the highest of the following amounts:

1. 30 percent of the family's monthly adjusted income;
2. 10 percent of the family's monthly income;
3. If the family is receiving payments for welfare assistance from a public agency and a part of those payments, adjusted in accordance with the family's actual housing costs, is specifically designated by the agency to meet the family's housing costs, the portion of those payment's which is designated for housing; or
4. Minimum rent in accordance with applicable provisions of Section 5.616.
5. A family renting a unit above the payment standard pays the higher of 30% of monthly adjusted income, 10%of monthly income, or the welfare rent, and the amount of rent above the payment standard but not more then 40% as the cap established by QHWRA of income on the family share of rent for initial leasing of any unit.

C. Minimum Rent

The minimum rent established by the PHA will be \$25.00.

D. Hardship exemption

1. Should a family request a hardship exemption, said request will be honored upon determination of whether there is a qualifying financial hardship.

The suspension of the minimum rent requirement will begin the month following the family's hardship request.

2. The following will be considered as financial hardship:
  - a. When the family has lost eligibility for, or is waiting an eligibility determination for a Federal, State or, local assistance;
  - b. When the family would be evicted as a result of the imposition of the minimum rent requirement;
  - c. When the income of the family has decreased because of changed circumstances, including loss of employment;
  - d. When a death has occurred in the family;
  - e. Other circumstances as determined by the Municipality of Cayey.

E. Request for hardship exemption

1. If a family requests a hardship exemption, the Municipality of Cayey will suspend the minimum rent requirement beginning the month following the family's hardship request until the Municipality of Cayey determines whether there is a qualifying financial hardship and whether it is temporary or long-term.
2. If the Municipality of Cayey determines that there is a qualifying financial hardship, but that it is temporary, the Municipality of Cayey will not impose a minimum rent for a period of no more than 90 days from the date of the family's request. At the end of the 90-day suspension period, a minimum rent is imposed retroactively to the time



of suspension. The family will be afforded a responsible repayment agreement for the amount of back rent owed.

3. If the Municipality of Cayey has determined that there is no qualifying hardship exemption, the Municipality of Cayey will reinstate the minimum rent including the back payment for minimum rent from the time of suspension on terms and conditions established by the Municipality.
4. If the Municipality of Cayey determines that there is a qualifying long-term financial hardship, the family will be exempted from the minimum rent requirement in compliance with 24 CFR Part 5, Section 5.616.

E. Appeal of financial hardship

Should the family appeal the financial hardship determination through the Municipality of Cayey's grievance procedure, it will be exempt from any escrow deposit that may be required in accordance with 24 CFR Part 5, Section 5.616.

### **XIII Family Mobility and Portability**

A participating family in the Housing Choice Voucher Program is allowed to rent a dwelling unit with tenant-based assistance outside the jurisdiction of the Municipality of Cayey (initial PHA). The following policy will be adhered to by the Municipality in accordance with established existing Federal regulations.

A. General Procedures (Whenever this Municipality for portability purposes is the Initial PHA)

A family must live in the initial PHA's jurisdiction and hold a housing voucher or be a current participant to be eligible for portability. Furthermore, the family may lease a dwelling unit anywhere in the United States where there is a tenant-based subsidized housing program or in the same state or MSA. The family could decide to reside in an adjacent MSA to the initial PHA. According

to existing regulations, if no PHA with a tenant-based program in this jurisdiction, assistance is administered by the initial PHA.

The family could decide to reside within the initial PHA's MSA and the assistance will be administered by the initial PHA, thus, expanding the housing choices of the family, and therefore, complying with HUD's deconcentration policy as well as moving them from poverty areas.

B. Limitations on Participation

The family will not be allowed to port under the following conditions:

1. A non-resident applicant will be required by the Municipality, as the initial PHA, to reside in the jurisdiction a minimum of 12 months.
2. Families that have exceeded the limit of 5 moves within a one year period following the execution of the initial lease and HAP contract.
3. The initial PHA may also deny a move under grounds covered by section 982.552 of the Federal Register.
4. In accordance with QWHRA, families with lease violations will not be allowed to port out.

C. Income Limits under Portability

Families must meet income guidelines for eligibility in the receiving jurisdiction if:

1. Leasing a unit for the first time;
2. Changing types of assistance (Certificate to Voucher)

D. Initial PHA Responsibilities under QHWRA

The family information packet will include a written explanation of how portability works, its meaning from the family's perspective as well as specific procedures which the family will need to follow in order to be allowed to port out of the Municipality.

Income eligibility of the family will be determined in accordance with established Federal Regulations as well as identify the receding PHA if more than one PHA has jurisdiction. The family will be advised as to how and when to contact the receding PHA. HUD Form 52665, part I will be completed and forward to the receiving PHA with supporting documentation. All pertinent forms will be forward to the receiving PHA via certified mail unless an emergency existed and then said documents will be forward via a facsimile.

E. Receiving PHA Responsibilities under QWHRA

The receiving PHA must perform all regular PHA functions and responsibilities as required by existing HUD regulations. Always use Part II of HUD Form 52665 to report information pertaining to the family to initial PHA such as:

1. Initial billing and subsequent changes
2. Absorption - if the receiving PHA misses initial billing deadline or has an established policy and has sufficient funding in the ACC to absorb the family.
3. Family leaves the program

F. Billing Issues under Portability

The receiving PHA must meet the initial billing deadline by completing Part II of HUD 52665 and attach from HUD 50058 within 10 working days as established by QHWRA. Form 52665 will automatically requisitions monthly amount due for each subsequent month. The initial PHA must make payments within 30 calendar days following receipt of said form unless each PHA agreed to a different schedule.



## **XIV Policy statement about a family to prospective owners**

It is the position of the Municipality of Cayey, as such will so advise the owners, that they and not the Municipality is permitted and encouraged to screen prospective families on the basis of their tenancy history. All owners will be so advised that they may consider a family's background with respect to such factors as:

- A. Payment of rent and utility bills;
- B. Caring for the unit and surrounding premise;
- C. Respect for the rights of others to the peaceful enjoyment of their dwelling unit;
- D. Drug related criminal activity or other criminal activity that may indeed pose a threat to the life, safety or property of others;
- E. Compliance with other essential condition of tenancy.

The Municipality feels that the release of past history of a given family may in fact, block the family's efforts to find suitable housing, when in fact, this same family may have changed both their attitude and behavioral patterns for the better.

## **XV Family Absence From the Dwelling Unit**

The family may not be absent from the unit for a period of more than 180 consecutive calendar days in any circumstance, or for any reason. The Municipality of Cayey will notify both the family and the owner in writing upon being advised of any lengthy absence within 90 consecutive calendar days, should the family be absent for longer than the maximum period permitted (180 consecutive days), the housing payments will be terminated.

Additionally, the owner will be so advised in writing that he or she must reimburse the Municipality for any housing assistance overpayment made for the period after the termination.

It is the intent of the Municipality to advise the family via correspondence and/or by telephone, that they are indeed responsible for supplying any information or certification requested in order to verify that the family is residing within the unit or in relation to any absence from the unit by the family. The family must cooperate with the Municipality for this purpose.

The Municipality of Cayey has adopted what it believes to be the appropriate technique to verify family occupancy or absence from the dwelling unit:

- ☐ Telephone calls to the family every 90 to 120 days, and/or correspondence directed to the family at the unit, or may choose to make a personal visit to the family of the leased residence.
- ☐ Additionally, when deemed necessary, the Municipality reserve the right to question the owner and/or neighbors at the leased residence.

## **XVI Determination as to who remains in the Program Should a Family Breakup**

Upon being advised of a family breakup, the Municipality will review each case individually by considering the following:

1. Reexamination of family income in order to determine that the remaining members qualify for the assistance originally approved;
2. Determine if any of the remaining family members are either disabled and/or elderly;
3. The need for housing based upon the size of the family by age groups;
4. Difficulty in alleviating severe hardships on individual family members including but not necessarily limited to:
  - a. The need to be located close to a hospital or medical dispensary in order to receive special

medical treatment

- b. The need to be c  
transportation pr  
personal vehicle;
- c. In the case of  
children the neec

Should it be determined that additional family members are adjustment in the assistance paym reexamination of the total family in be noted that the Municipality of work with and satisfy the needs of they do in fact qualify for such as federal regulations.

## **XVII Informal Rev Applicant Family**

### **1. Informal Review**

At all times the Municipality will afford an applicant family the opportunity to request an informal review of any decision made to deny assistance under the Housing Choice Voucher Program.

Specifically, the Municipality will be required to notify an applicant in writing that assistance has been denied no later than fifteen (15) working days after said decision has been made. Within this same written notice, the applicant will be informed of their right to appeal the decision either in written form or verbal. Additionally, the participant must be advised by the Municipality, that they have some thirty (30) days from the date of the written notice to request an informal hearing. Such a request may be either in written or oral form, and that the participant has the right to be represented by another family member, friend, and/or legal counsel.

Furthermore, the Municipality in advising the participant of his rights must state within the denial letter the reason for the decision and at the same time reference that part of existing law,



regulation and more specifically HUD regulation that was used a basis for denying assistance to the family participant.

## 2. Hearing Procedures

The following represents the Municipality of Cayey established procedures for conducting an informal hearing for participants:

a. The family will be given an opportunity to review any HA documents that are deemed necessary before the hearing. The PHA will permit the family to copy any such document at the family's expense.

b. It is agreed that the PHA must be given the opportunity to examine at its office any family documents that are directly relevant to the hearing. The PHA is therefore allowed to copy any such documents at its own expense. It is then agreed, that if the family does not make the document available for examination at the request of the PHA, the family will not be permitted to submit the document(s) at the hearing.

### c. Representation of the Family

The Municipality agrees that, at its own expense, the family may be represented by legal counsel or other representative(s).

### d. Hearing Officers

The hearing will be conducted by a member of the legal staff of the municipality, or by any other person so designated by the Mayor, other than a person who made or approved the decision under review or a subordinate of this person. The Municipality in appointing a person to conduct the hearing is empowered to regulate the conduct of the hearing.

e. Evidence

The Municipality and the family will be given the opportunity to present evidence as well as question any witnesses brought forth by either party. The Municipality agrees that the evidence presented will be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

f. Issuance of Decision

The Municipality has agreed that the person who will be conducting the hearing must issue a written decision within thirty (30) days of the date of the informal hearing, which states the reasons for the decision taken. The Municipality has agreed, that factual determinations relating to the individual circumstances of the family will be based on a preponderance of the evidence presented at the hearing.

g. Effect of Decision

The Municipality will not be bounded by a hearing decision as described in section 982.555(f) of the Federal Register.

## **XVIII Termination of Assistance**

When a contract is terminated at a time when the family is ineligible for payments, the contract will not be renewed and all parties involved will be informed in writing stating the reason for such a decision.

In the case of an overcrowded unit where it is determined by the Section 8 Program Director that the dwelling is not decent, safe and sanitary by reason of an increase in family size, and the PHA finds another acceptable dwelling unit available for occupancy by the family, and the lease with the first owner will be terminated in accordance with established federal regulations. The payments will be made

available to the family for occupancy in the acceptable unit, unless the family indicates a valid reason for rejecting the new unit, the contract can be terminated.

The reasons for termination of the housing assistance payments are clearly stated in the different contract documents and in every case written notification will be directed to both the owner and the tenant, stating the reasons and the effective date of the termination.

If it is determined by the Municipality to terminate assistance to the family a written notification will be sent clearly stating the reasons for the decision and an opportunity will be afforded to the family to appeal the decision and for an informal hearing in accordance with Part VII, Section 2 of this plan and existing federal regulations as well as Section 982.552 and 982.553, respectively.

Once the family has been afforded the opportunity to appeal the decision made by the Municipality to terminate their assistance or denial of assistance because of failure to act and/or inaction by the family, the family must wait five (5) years before they may reapply. Also, if the participant family decides to voluntarily hand in their voucher, they must wait five (5) years before reapplying.

## **XIX Termination of HAP Contract due to Family Move**

During the briefing, the family will be informed of established procedures within this same program that once they chose to relocate to another dwelling unit, they must notify the owner of their intent to move in written form and with a copy of said notification to the Municipality. The family must give the owner at least a ninety (90) day notice. This same time requirement must be adhered to by the owner should he or she decide to terminate the contract or not renew it. A written statement of this will be provided to the family as well as owner in their respective packets.

Since the leases are based upon a monthly rent structure, the family must be made aware that if the owner is not notified well in advance, the owner could conceivably spend sometime looking for a new tenant. If the owner is able to secure another tenant to occupy the unit at the time the family vacates, a portion of the deposit could



be returned to the outgoing tenant. The same can be said for the owner with the exception that the family needs time to locate a suitable dwelling unit to meet their needs.

By making this request of both the owner and family participant, the Municipality will in fact have the necessary elements to judge if proper notice was given to the landlord or vice versa, and in addition, send the Housing Inspector to review any claim of damages which could be claimed at that time.

If the family vacates the unit in violation of the lease or tenancy agreement, the owner will receive the housing assistance payment due under the HAP Contract for the period of the month that the unit was occupied and no other payment will be made as soon as the Municipality has been informed of the noncompliance by the participant family. The owner must reimburse the PHA for any excess amounts collected from the PHA after the last payment has been made.

## **XX Occupancy Policies**

### **A. Definition of Family**

The Municipality has accepted that the term "family," may be either a single person or a group of persons. Furthermore, that a group of persons constituting a family may include a family with a child or children. Additionally, this same definition will allow for admission of a family with children but does not preclude the admission of a multi-person family without children.

The Municipality feels that by widening the definition of the family regarding the qualification of single individuals for assistance under this same program, so as to provide equal assistance under the law to such persons who may be classified as aged, displaced or disabled.

### **B. Definition of extremely low-income family**

The Municipality of Cayey considers a family to be an extremely low-income applicant when their annual income does not exceed 30 percent of the median income for the Caguas Metro Area,

as determined by HUD, with adjustments for smaller and larger families.

C. Definition of Family when it is considered to be "Continuously Assisted"

The Municipality of Cayey considers that an applicant is continuously assisted under the subsidized housing program if the family is already receiving assistance under any federal housing program when the family is admitted to the Housing Choice Voucher Program.

It is in this regard that the Municipality has established the following policy concerning whether and to what extent a brief interruption between assistance, and admission to the voucher program will be considered to break continuity of assistance:

***"Any family currently involved with any federally assisted public housing project has a total of some 365 calendar days or one year between the period they have left a federal housing program and applied for assistance under the Housing Choice Voucher Program, in order to be considered under 'continuously assisted'."***

## **XXI Housing Quality Standards and Inspections**

A. Inspections

Housing to be utilized and approved for the program will be subject to meeting the Performance Requirements as set forth within the Federal Register 982.401 with the exceptions of requiring mechanical equipment such as cooling or ventilating under the criteria Thermal Environment. Natural ventilation, when appropriate under windows and air circulation criteria will be considered acceptable.

The Housing Inspector will evaluate each to assure that the dwelling unit complies with Housing Quality Standards as set forth in existing HUD regulations. Pre-occupancy inspections will be performed within 15 days after the participant family has presented the Lease Approval form using this form as the prescribed form for such inspections. The inspector will enter the data requested on the



inspection form. Landlords of inspected units classified as inadequate, will be advised as to the repairs required to make the unit comply with HQS, thus, enabling the Municipality to execute the HAP contract.

Prior to a new lease, after reexamination, and at least once a year an inspection will be performed to assure compliance by both the owner and tenant, of the Housing Quality Standards. Complaints from the families regarding housing quality or contract violations shall be promptly investigated and a written notice shall be sent to the owner outlining the deficiencies found that made the unit not in compliance with established HQS and a time frame will be established so that the unit can be brought into compliance with HQS as established by Federal Register 982.401.

Inspections at random will be programmed by the Section 8 Program Director or person designated by the Director for program monitoring purposes, as a means of quality control and these will cover at least 10% of the leased units. Copies of the inspections will be included within the family's file.

A. Enforcement of Housing Quality Standards

The Municipality will complete HQS inspections and complaint inspections as needed to ensure compliance of the dwelling unit with established Federal regulations. The Municipality may abate or terminate housing assistance payments to owners if the unit fails HQS and the owner does not comply with written request within the time frame established. The Municipality is cognizant that HUD may reduce administrative fees if it fails to enforce HQS.

## **XXII Lease Approval and Contract Execution**

A. Program Requirements

The Municipality of Cayey will not approve any family to lease a unit or execute a HAP contract until it has been determined by the Municipality that the following has been met:

1. The unit is eligible;



2. The unit has been inspected by the Housing Inspector and passes HQS;
3. The lease is approved including all the required lease provisions and has been duly executed between the owner and family participant;
4. The rent to the owner has been determined to be reasonable;
5. The total of contract rent plus any utility allowance does not exceed the FMR/exception rent limit and is within the Payment Standard established by the Municipality.

B. Actions prior to lease term

It will be required that all of the following must always be completed before the beginning of the lease term:

1. The unit has been inspected by the Municipality and it has been determined that the dwelling unit satisfies the HQS;
2. The lease has been duly executed by both the landlord and tenant, and the Municipality has approved the leasing of the unit in accordance with the program requirements.

C. HAP Execution

Prior to contract and lease execution, lease provisions, lease approval procedures, Housing Quality Inspections and payment procedures will be fully discussed with the owner and, as is required by Law, all records and documents related to the lease approval will be filed and retained within the tenant's file for as long as the family stays within the program.

Every effort will be made by the Municipality of Cayey to execute a HAP contract before the beginning of the lease term. The Municipality will not pay any housing assistance payment to the owner

until the HAP contract has been duly executed. Should the HAP contract be executed during the period of 60 calendar days from the beginning of the lease term, the Municipality will make housing assistance payments after execution of the HAP contract. Any HAP contract executed after the 60-day period is void and the Municipality will not pay any housing assistance payment to the owner.

D. Notice to Family and Owner

The Municipality of Cayey will promptly notify both the family and owner, after having received the family's request for lease approval to lease a particular unit.

E. Procedure After PHA approval

When the Municipality of Cayey has authorized the family to lease the unit, the owner and the Municipality may then execute the HAP contract. The owner will receive a briefing on the program and the Section 8 Program Director will closely work with both the family and the owner to expedite this same procedure. At this time, the Section 8 Program Director will coordinate with the owner and based on these instructions, as to where the payment of subsidies will be direct to, or specific instructions on the persons authorized to pick up the same at the Municipality of Cayey.

F. Landlord Rejections

It will be the policy of the Municipality of Cayey not to enter into a HAP contract with any owner who refuses or has a history of refusing to evict families, who disturb the peaceful enjoyment of the property, engage in drug-related or violent criminal activity, and threaten the health or safety of other residents, managers, employees of the Housing Department or the owner. This is in accordance with established HUD regulations as set forth in the Quality Housing and Work Responsibility Act of 1998.

In this regard, a dwelling unit will not be approved if we have been informed by HUD or otherwise, that the owner is debarred, suspended, or subject to a limited denial of participation under 24 CFR Part 24. When directed by HUD, the unit will not be approved if:

1. The federal government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or other federal equal opportunity requirements and such action is pending;
2. A Court or Administrative Agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements.

As part of its administrative discretion, the Municipality of Cayey may deny approval to lease a unit from an owner for any of the following reasons including but not limited to those aforementioned:

1. The owner has violated obligations under a housing assistance payment contract under Section 8 of the 1937 Act (42 USC1437);
2. The owner has committed fraud, bribery of any other corrupt or criminal act in connection with any federal housing program;
3. The owner has engaged in drug trafficking;
4. The owner has a history or practice of non-compliance with the HQS for units leased under the tenant-based program, or with applicable housing standards for units leased with Housing Choice Voucher Assistance or leased under another federal housing program;
5. The owner has a history or practice of renting units that fail to meet State or Local housing codes;
6. The owner has not paid State or Local real estate taxes, fines, or assessments.

It should be clearly noted that nothing contained within 24 CFR Part 24 (982.306) is intended to give any owner any right to participate in the program. For purposes of this plan the term "owner" includes a principal or other interested parties.



G. Initial Lease Term

It will be the policy of the Municipality of Cayey that the initial lease term will be for no more than one year after the execution of the HAP contract between the owner and the Municipality. The prevailing practice in the local housing market is to execute a lease contract of no more than one year. This is in accordance with established HUD regulations as set forth in the Quality Housing and Work Responsibility Act, section 545.

H. Security Deposits

Owners may collect a security deposit that is not greater than one month's rent which is the acceptable general practice within the Municipality. Every attempt will be made to brief the owners and tenants of the importance of this and encourage communication between the two parties.

If the owner fails to collect a security deposit, the Municipality will not be liable for any damages caused by the tenants in accordance with established federal regulations. The owner as well as the family will be briefed on their responsibilities concerning this.

## **XXIII Rent Reasonableness**

A. Determination

In accordance with 24 CFR part 982, subpart K, section 982.503, the Municipality will not approve a lease until it is determined that the initial rent to the owner is reasonable.

The Municipality will redetermine the reasonable rent under the following conditions:

1. Before any increase in the rent to the owner;
2. If there is a five percent decrease in the published FMR in effect 60 days before the contract anniversary (for the unit size rented by the family) as compared with the FMR in effect one year before the contract anniversary;

3. If directed by HUD.

The Municipality of Cayey will redetermine the reasonable rent at any other time that it deems necessary as a form of efficient management of the limited funds available.

B. Comparability

The Municipality of Cayey will determine whether the rent to the owner is a reasonable rent in comparison to rent for other comparable unassisted units. So that said determination can be ascertained the following will be considered:

1. The location, quality, size, unit type, and age of the contract unit;
2. Any amenities, housing services, maintenance and utilities to be provided by the owner in accordance with the lease.

C. Owner Certification

By accepting each monthly housing assistance payment from the Municipality of Cayey, the owner certifies that the rent to the owner is not more than rent charged by the owner for comparable unassisted units in the premises. The owner must give the Municipality of Cayey information requested by the Municipality on rents charged by the owner for other units in the premises or elsewhere.

Additionally, the Section 8 Program Director will establish a data bank by obtaining information as to rental values in various areas of his jurisdiction and will compare them to proposed rents in the requests submitted by owners and applicants for lease approval.

At the time of the application being filled out, the applicant will provide information as to the actual rent he is paying, which may be verified by a letter from the landlord or agent. This too will constitute an index, and in some cases, an element to compare and allow Rent Reasonable Certification. It will be certified by the Section 8 Program Director based on the survey conducted by the Housing Inspector in the form used by the Municipality of Cayey to validate such

certification. The Certification of Rent Reasonableness will be kept within the tenant's file for as long as the family is a participant within the Program.

## **XXIV      Payments to Owners**

The details for processing of the monthly payments for owners, the calculation, preparation and delivery of the checks, and the establishment of accounting and auditing procedures will be the responsibility of the program's accountant.

The monthly checks to owners and negative rents to families will be delivered during the first week of the month to which the payment actually applies. If for unforeseen reason this is not possible, a notice will be given to owners and recipients of negative rent of the possible payment date.

In accordance with the Quality Housing and Work Responsibility Act, the Municipality of Cayey can be held liable for late payment of the housing assistance payment by the owner. Any late payment penalties must be imposed by the owner in accordance with the generally accepted practices in the local housing market. A late payment fee must be paid from the Municipality of Cayey administrative fee unless authorize by HUD to make such payment from another source. Furthermore, no late fee may be charged if HUD determines that the late payment is due to factors beyond the control of the Municipality.

## **XXV      THE PROCESS FOR ESTABLISHING AND REVISING PAYMENT STANDARDS, INCLUDING AFFORDABILITY ADJUSTMENTS**

### **A.      Payment Standard**

A payment standard will be set between 90%-110% of the Fair Market Rent for the PHA jurisdiction as established by QWHRA. The Municipality of Cayey has a payment standard of 100% of the Fair Market Rent established by HUD.



The following represents the subsidy standards that determine the number of bedrooms required for families of various sizes and compositions:

<b>0 BR</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4 BR</b>
267	321	379	477	530

The local area Office of HUD, namely the Economic and Market Analysis Division (EMAD), as well as the HUD Public Section 8 Program Director will be consulted on an annual basis, so as to confirm that the FMR employed are both accurate and reflect the general cost of housing for our area.

In the case of the PHA requesting a revision to the existing FMR, the PHA will include documentation showing the current median rent for standard units in our area. In this regard the PHA's recommendations will be supported by such analytical data such as:

- ☐ Evidence that significant changes in rents have been experienced in the rental market, which differ from those changes measured by the Consumer Price Index (CPI) factors used to update the Annual Housing Services based on the Median Rent.
- ☐ When convenient and/or required the PHA will provide local housing Market surveys that indicate the current median rent levels for standard units of various sizes within our designated FMR area.

B. Determination of Unit Size in Relation to Family Composition

The Municipality of Cayey has applied the following requirements when determining the unit size in relation to the family composition under our subsidy standards:

1. The subsidy standards provide for the smallest number of bedrooms required to house a family without causing overcrowding;

2. The subsidy requirements are consistent with space requirements under the Housing Quality Standards;
3. The subsidy standards have been applied consistently for all families of like size and composition;
4. A child who may be temporarily away from the home because of placement in foster care is considered a member of the family in determining the family unit size;
5. A family consisting of only a pregnant woman will be treated as a two-person family;
6. Any live-in aide which has been authorized by the Municipality to reside within the unit to care for a family member who is either disabled or at least 50 years of age will be counted in determining the family unit size;
7. The Municipality has agreed, that unless a live-in-aide resides with the family, the family unit size for any family consisting of a single person must be either a zero or one bedroom unit.
8. The Municipality will grant an exception to its established subsidy standards, in determining the family unit size for a dwelling unit, if it determines that the exception is justified by the age, sex, health, handicapped or relationship of family members or other personal circumstances.

C. Exceptions to FMR on a Unit by Unit Basis

The PHA is entitled to establish its payment standard from 90%-110% of the FMR approved for MSA area of the PHA. The PHA will be allowed to approve initial gross rents on a unit by unit basis which exceed the FMR's or payment standard established by the PHA for units, which by virtue of size, amenities or location, or in the case of expanding housing opportunities for low income families, or to

obtain units which have been made accessible to the disabled, which are determined to warrant exception rents. The PHA accepts the fact that this same authority will not be exercised for more than 20 percent of the units authorized by the ACC.

D. Affordability Adjustments

Upon recertification/redetermination of the applicant, any adjustments will be to the appropriate Payment Standard established by the PHA. Where it has been accurately determined by the PHA that based upon the documentation available to the PHA, that an overpayment was made by the PHA, the PHA will immediately advise the participant of the same and request a meeting in order to establish a repayment schedule or other acceptable plan in order for the PHA to recover the overpayment.

E. Rent Adjustments

Rent adjustments requested by landlords will be processed as indicated in Section 982.509 Federal Register, April 30, 1998, page 23863. The owner must request said revision to the contract rent sixty (60) days prior to the HAP contract anniversary date.

## **XXVI      EVICTION**

In the case where the owner requests eviction he will be required to follow the contractual obligations and procedures and the Section 8 Program Director will be assisted by an in-consultation with the Municipality's Legal Counsel.

The owner, notwithstanding, will not evict any family unless he complies with State and Local Law as well as section 983.310(e) of the Federal Register. The owner will provide a copy of the eviction notice to the Municipality. The owner may only evict the tenant from the unit by instituting a court action.



## **XXVII Special Policies Concerning Special Housing Types in the Program**

### **A. Policy-Type of Unit Required**

Without incurring vacancies, the Municipality will make every reasonable effort to provide units or special housing types for the disabled families with physically disabled and/or elderly members who require such units:

1. The Municipality will give elderly families a preference in admission to projects for the elderly;
2. The Municipality has agreed not to set a minimum age for the admission of disabled or disabled persons;
3. The Municipality will not exclude elderly families with children having units of the appropriate size;
4. For intentions of this same plan, specially designed units are sometimes referred to as accessible or barrier-free units. These may include ramps, grab bars, lower counters or special facilities, etc.
5. Additionally, the Municipality is aware that families which meet the HUD definition of disabled or disabled often do not require specially designed units. An example of this would be a person who is mentally disabled would not be in need of a unit designed for a person with a mobility impairment and will not be offered such a unit.

### **B. Large Families**

When it is determined that a qualified family such as a single mother with numerous small children (four, five, or six), it becomes difficult to find an owner many times who are desirous to rent either an apartment or a single detached unit to this same family.

In this regard, should this same family find it totally impossible to locate an acceptable unit on its own, the Municipality will provide the following assistance:

1. Meet with homeowners who possess the proper sized units for the families involved and attempt to persuade them to accept these families;
2. Meet with representatives of the State Housing Department and Family Department in order to obtain assistance to resolve the problems;
3. It should clearly be noted, that the Municipality will do everything within its authority to assist disabled, elderly and large families obtain suitable, clean, safe and decent housing.

## **XXVIII Policy Concerning Repayment by a Family Participant to the PHA of Amounts Owed**

The Municipality will determine the following:

- Step 1: Once it has been determined that the tenant owes money to the Municipality a payment plan shall be established.
- Step 2: Once the payment plan has been established, it will be forwarded to the Finance Department, who has the faculty to enforce all payment plans. According to established procedures in the Finance Department, late penalties will be imposed when the family does not comply with the terms established.
- Step 3: After various attempts to get the tenant to comply with the terms of the payment schedule, the tenant will have the participation canceled since this will form part of the signed agreement. Once the participation has been terminated because of

default on their payment plan, the family will have to wait five (5) years before they can reapply.

## **XXIX      Equal Opportunity**

The Municipality has agreed that it will comply with all Equal Opportunity requirements, both State and Federal such as:

1. The Fair Housing Act, 42 U.S.C. 3610-3619 (implementing regulations at 24 CFR parts 100, et seq.);
2. Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d (implementing regulations 24 CFR part 1);
3. The Age Discrimination Act of 1975, 42 U.S.C. 6101-6107 (implementing regulations at 24 CFR part 146);
4. Executive Order 11063, Equal Opportunity in Housing (1962) as amended. Executive Order 12259, 46 FR. 1253 (1980), as amended. Executive Order 12892, 59 FR. 2939 (1994) (implementing regulations at 24 CFR part 107);
5. Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794 (implementing regulations at 24 CFR part 8); and
6. Title II of the Americans with Disabilities Act, 42 U.S.C. 12101, et. Esq.
  - a. For the application of equal opportunity requirements to an Indian Housing Authority, see 24 CFR 950.115.
  - b. The Municipality must submit a signed certification to HUD of the PHA's intention to comply with the Fair Housing Act, Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, Executive Order 11063, Section 504 of the Rehabilitation Act of 1973 and Title II of the Americans with Disabilities Act.



## **XXX      Monitoring Program Performance**

The Municipality will collect and analyze all data that will permit it to determine:

- a. That at least 75 percent of families initially provided assistance in each fiscal year must have incomes no higher than 30 percent of median income for the PHA area is fulfilled.
- b. Determine Reasonableness of Rents prior to signing a HAP contract.
- c. That HAP's and utility payments are completed and made on schedule.
- d. The Housing Quality Standards are met and are conducted in a timely manner as required by QHWRA.
- e. That the income eligibility requirement under the QHWRA is fulfilled.
- f. That families are neither discriminated against nor abused.
- g. That outreach efforts to both, landlords and families, are adequate.
- h. That the payment standard as established by the PHA is in compliance with QHWRA and is revised annually based on the needs of the participant family.
- i. That reporting to MTCS is fully complied with and on time.
- j. That the PHA annual plan is being adhered to as required under QHWRA.
- k. Adequacy of allowance for utilities and revision of the same at least annually utilizing established procedures.

- I. Performance under the program is in compliance with existing regulations.

Date for these will be available from the Permanent Records and Registers to be established, and from the accounting records, and inspection forms executed by both the Inspector and each family, as well as from the Director's involvement in the rental market within the Municipality.

In order to better concentrate our efforts on any areas where problems may be encountered, we must have the necessary means so as to assign the main task to the Section 8 Program Director and complement it with municipal resources.

## **XXXI Summary**

In conclusion, the PHA has agreed that participation in the Housing Choice Voucher Program requires compliance with all HUD regulations and other HUD requirements. In the case where a particular work element was not touched upon, herein, the PHA has agreed to utilize existing or previously approved regulations to cover the same, in addition to complying with the consolidated ACC and the PHA's HUD approved applications for program funding. The following actions will be undertaken by the PHA ensure fulfillment of its responsibilities to HUD in administering its ACC as follows:

- a. Newspaper and radio will be utilized to inform both families and owners of the availability and nature of housing assistance payments for extremely low and very low-income families. Written material will be prepared for orientation and included in what we have called a "Family Information Packet" as well as a "Homeowners Information Packet." In addition, the various proposed outreach efforts to be performed, have been discussed.
- b. In order to fulfill our responsibility to receive and review the applications for Vouchers for eligible families, as well as to verify the income and other pertinent factors therein contained, we have also included the following action:

- ☐ We have retained a consultant to train, coordinate and supervise the development and implementation of this same program on an ongoing basis. We are confident that with the basic organizational structure we have included herein, along with the ongoing supervision of our consultant, we will continue to both create and develop both a viable and effective program that will in fact be in compliance with existing regulations.
  - ☐ Whenever possible, members of the PHA staff will assist in seminars or conferences so as to learn the latest in the Housing industry and maintain the PHA update on the latest regulations enacted by HUD. This same PHA staff member will conduct in-house training for the rest of the PHA staff
- c. To meet our responsibilities regarding Issuance of Vouchers, we have contemplated the establishment of a Performance Record of Vouchers. This will permit the PHA to assure that the number of vouchers and/or funds assigned for Housing Assistance payments is not exceeded, and to that extent, that the 75 percent of families initially provided assistance in each fiscal year must have incomes no higher than 30 percent of median income
- d. In order to provide documented basis upon notification to ineligible families a file will be established which will contain the necessary application, the verifications and the reasons for the determination of ineligibility, as well as a copy of the notification to the applicant and any informal hearing or appeal material such as the signed interview forms we have implemented.
- e. In order to meet our responsibility to provide each voucher holder with basic information on:



1. Applicable Housing Quality Standards
2. Inspection Procedures
3. Search, selection and basic program rules

Our local housing staff will provide an application orientation, to all approved eligible families. Evidence to support that this was in fact followed, will be contained within each of the eligible family's file.

- f. In order to meet our responsibility on the determination of the Tenant Rent, we rely heavily upon our trained housing staff. Computations should be supported by information of the applicant once it has been verified as well as analyzed within the appropriate computation form. Documents which gave basis to the amount of the Tenant Rent and other supporting documents will be included within each family's file. Also information on each family will be submitted to HUD via its MTCS system. This file will also validate that the computation was done according to established procedures.
- g. In order to meet our responsibilities in determining Housing Assistance Payments as well as rent reasonableness, we will review the lease approval request, in order that the proposed rent does not exceed the established PHA Payment Standard. Proper credit for utilities will also be reviewed and then the amount for Housing Assistance Payments will be determined. Each file will be fully documented and the rent reasonableness will be certified by the appropriate housing staff member.
- h. In order to meet our responsibilities in making prompt and accurate Housing Assistance Payments, a system will be established whereby we can assure ourselves that the funds are always

available. This will constitute a coordinated effort between the Municipality's Finance Department and Housing Department. The PHA staff will prepare a monthly payroll of the payments to be made based upon the existing contract with the owners recorded in the corresponding permanent record, where active Housing Assistance Payments Contracts are annotate. The record where vacancies and/or intention to vacate are recorded will be checked to avoid improper payments. Negative rent to tenants where applicable are simultaneously processed. The Program Director will have a clear address or instructions from the landlords as to where the check is to be mailed or who is authorized to pick it up. When picked up, a receipt should be requested from the person that receives it. Payments should be in the hands of landlords not later than the 1<sup>st</sup> day of every month. We are aware of the negative impact this could have in landlord participation on the program and, therefore, utmost care will be given to avoid delays. However, should a delay occur for an unforeseen motive, the owner will be notified and an explanation will be given.

- i. In order to meet our responsibility in performing annual reexamination in a timely manner, a letter will be sent to the family with instructions. The Recertification form will be filled, verified and analyzed, and the new tenant rent will be determined at that time. The family and owner will be notified and once any appeal or objection has been clarified, the corresponding amendments to the lease and contract will be made. Supporting documents will be kept on file at all times. When a family requests a special reexamination due to the fact that they are seeking an interim adjustment because of a temporary situation such as unemployment which merits and adjustments in gross family contribution, the Program Director will request the necessary documents (such as layoff

notice from the employer, determination of compensation from unemployment, etc.) and make the computations for the tenant rent. The decision will be made known to the family and landlord in writing and the PHA's accounting division notified for payments and budget review.

- j. In order to meet our responsibilities with reporting family information electronically to MTCS as required by HUD, the PHA will ensure that its internet connect is working properly or will find the means to be able to transmit said information.
- k. In order to meet our responsibilities with respect to inspection, we will be designating an Inspector in accordance with the program's financial resources reported on financial forms. A record of inspections will be kept to assure all properties under contract have been inspected and that those which required additional follow-up were reinspected and corrections made.

At the request of families, when situations so warrant, the Program Inspector may perform additional inspections or may schedule monitoring inspections. However, at least an annual inspection will be made to coincide with the annual reexaminations. Forms for these inspections and training on Housing Qualities Standards and Criteria will be among the tools given the Inspector.

- l. In order to meet our responsibilities in eviction cases, we are assuming that both the reason and procedures for eviction are included in the leases. Requirements set forth in Federal Register 982.310 must be met. The Municipality's legal counsel will be available for consultation to the Program Director, whenever necessary.
- m. Our responsibilities to comply with Equal Opportunity Requirements will be met by extending



our present compliance commitments and norms to the programs being administered by the Municipality of Cayey and the corresponding actions.

## **XXXII Definition of Terms and Concepts**

In addition to the terms and concepts used in both the Existing Certificate and Voucher Programs, the following terms, definitions and concepts also apply:

- A. **Extremely low-income family** - A family whose annual income does not exceed 30 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families.
- B. **Very low-income family** - A family whose income does not exceed 50 percent of the Median Income for the area, as determined by HUD.
- C. **Full-time student** - A person who is attending school or vocational training on a full-time basis.
- D. **Responsible entity** - For the public housing and Section 8 tenant-based assistance (part 982) means the PHA administering the program under an ACC with HUD.
- E. **Tenant Rent** - the amount payable monthly by the family as rent to the unit owner.
- F. **Applicable Payment Standard** - The maximum subsidy payment for a family (before deducting the family contribution). The PHA sets a payment standard in the range from 90%-110% of the current FMR/exception rent limit.
- G. **Exception Rent** - an amount that exceeds the published FMR.
- H. **Family unit size** - The appropriate number of bedrooms for a family, as determined by the PHA under the PHA

subsidy standards.

- I. **Funding increment** - Each commitment of budget authority by HUD to a PHA under the consolidated annual contributions contracts for the PHA program.
- J. **Gross rent** - The sum of the rent to the owner plus any utility allowance.
- K. **HAP contract** - Housing assistance payments contract.
- L. **Housing assistance payment** - the monthly assistance payment by a PHA which includes:
  - 1. A payment to the owner for rent to the owner under the family's lease;
  - 2. An additional payment to the family if the total assistance payment exceeds the rent to the owner.
- O. **Budget authority** - an amount authorized and appropriated by the Congress for payment to the PHA's under the program.
- P. **Applicant (applicant family)** - A family that has applied for admission to a program but is not yet a participant in the program.
- Q. **Admission** - the point when the family becomes a participant in the program. The date used for this purpose is the effective date of the first HAP contract for a family in a tenant-based program.
- R. **Administrative Fee Reserve (formerly "Operating Reserve")** - It is an account established by the PHA from excess administrative fee income. The administrative fee reserve must be used for housing purposes.
- S. **Contiguous MSA** - in portability (under subpart H of this part 982) a MSA is one that shares a common boundary with the MSA in which the jurisdiction of the initial PHA is

located.

- T. **Contract Authority** - The maximum annual payment by HUD to a PHA for a funding increment.
- U. **Participant (participant family)** - A family that has been admitted to the PHA program is currently assisted in the program. The family becomes a participant on the effective date of the first HAP contract executed by the PHA for the family.
- V. **Premises** - The building or complex in which the dwelling unit is located, including common areas and grounds.
- W. **Reasonable rent** - A rent to the owner that is not more than rent charged:
  - 1. For comparable units in the private unassisted market; and
  - 2. For comparable unassisted units in the premises.
- Z. **Rent to the owner** - The total monthly rent payable to the owner under the lease for the unit. Rent to the owner covers payment for any housing services, maintenance and utilities that the owner is required to provide and pay for.
- AA. **Special Admission** - Admission of an applicant that is not on the PHA waiting list or without considering the applicant's waiting list position.
- BB. **Subsidy Standards** - Standards established by a PHA to determine the appropriate number of bedrooms and amount of subsidies for families of different sizes and compositions.
- CC. **Suspension** - Stopping the clock on the term of a family's voucher for such period as determined by the PHA, from the time when the family submits a request for



PHA approval to lease a unit, until the time when the PHA approves or denies the request.

- DD. **Tenant** - The person or persons (other than a live-in aide) who executes the lease as lessee of the dwelling unit.
- EE. **Violent criminal activity** - Any illegal criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another.
- FF. **Voucher (rental voucher)** - A document issued by the PHA to a family selected for admission to the Housing Choice Voucher Program. This document describes the program and the procedures for the PHA approval of a unit selected by the family. The voucher also states obligations of the family under the program.
- GG. **The Housing Choice Voucher Program** - The rental voucher program and is representative of the merger of the old Voucher Program with the Certificate Program under the Quality Housing & Work Responsibility Act of 1998.
- HH. **Waiting List Admission** - An admission from the PHA waiting list.

### **XXXIII PHA Code of Conducts**

The Code of Conduct and Ethics, hereinafter referred to as the Code, is a statement of the ethical principles, values and behaviors expected of the employees of the Municipality. It stems from the belief that the values of openness, honesty, tolerance, fairness and responsibility in social and moral matters are fostered by the Municipality. The code is intended to assist employees to identify and resolve ethical issues that might arise during their employment with the Municipality. Moreover, the Code puts forward a set of general principles rather than detailed determinations. The principles of the Code do not specify every potential act of behavior but rather, establish the obligations generally expected of the employees of the Municipality in their relationship with Government, their chief executive, colleagues, and the public. It stands beside, but does not exclude or replace, the rights and obligations of the staff under common law.

The first principle of the Code is concerned with public servants' obligations to Government in the performance of their official duties. In essence, the first priority for public servants is to carry out Government policy. In doing so, they are expected to act in a manner which will bear the closest public scrutiny. Employees are obliged to serve the aims and objectives of the Municipality Government. Employees should ensure that their personal interests or activities do not interfere with, or appear to interfere with this obligation.

It is useful to reflect on a number of control areas which, in terms of the significance usually attached to them, make an important contribution to the government control environment. The control environment is directly influenced by the degree of oversight formally exercised by a legislative body. While the presence of an appropriate level of legislation oversight can have a positive influence of the control environment, it should also be recognized that operative but ineffective oversight role may have the comparable personal system exists to provide, among other things such as benefits, equity in job assignment, promotion and pay. The existence of a system of control over the establishment of positions, the life of such positions, and the qualifications and status of the employees who occupy positions has a major influence on control discipline and awareness.

At all levels of government, officials should be sensitive to the actions they may take to create an appropriate control environment. People within any organization, be it government or private, must be convinced that senior officials believe that effective controls are essential and expect that each member of the organization will adhere to prescribed control procedures.

The atmosphere that prevails in the form of control discipline, attitude and awareness significantly affects and organization's ability to achieve an effective level of control, implementation and execution. The factors which influence the level of discipline, attitude and awareness comprise the control environment.

The public expects, and has a right to demand, that public employees maintain a high standards of ethical conduct. Maintaining the trust of the public means properly using government resources, information and power, which entails ensuring that the public sector serves the public and the Government of the day. Moreover, it means putting public interest before self interest as well as operating by the rules, the Acts, and guidelines which are designed to protect the public interest.

#### **A. *Code of Conduct***

The Code of Conduct establishes principles of conduct which all public employees of the Municipality are to expected to observe and adhere to:

1. There are a number of circumstances which may affect an employee's observance of these obligations, and the Code therefore provides guidelines for an appropriate conduct in a variety of contexts.
2. In performing their duties, Municipal employees should respect the rights of their colleagues and the public.
3. Employees should carry out their duties in an efficient and component manner, and avoid behavior which might impair their effectiveness.



4. Employees should fulfill their lawful obligations with professionalism, honestly, faithfully, efficiently, and avoid situations which might compromise their integrity or otherwise lead to conflicts of interest.

**A. *Rules of Conduct***

1. Employee must behave honestly and with integrity in the course of employment.
2. Employee must act with care and diligence.
3. Employee must comply with lawful and reasonable directive given by someone in the employee's Agency who has authority to give such operating instructions.
4. Employee, when acting in the course of employment must treat everyone with respect, courtesy and without harassment.
5. Employee must disclose, and take reasonable steps to avoid any and all conflict of interest (real or apparent) in connection with their employment.
6. Employee when acting in the course of employment with the Section 8 Tenant-Based Program must comply with all applicable Commonwealth of Puerto Rico as well as all Federal Laws enacted by the Congress of the United States. For purposes of this rule, Commonwealth of Puerto Rico and Federal Laws, respectively, means:
  - A. Any act, or any instrument made under and Act;
  - B. Any Law of the Commonwealth of Puerto Rico or Federal, including any instrument made under a law.

7. Accept or solicit any gift, favor or service that might reasonably tend to influence the office or employee in the discharge of official duties or that the officer or employee knows or should know is being offered with the intent to influence the independence of judgement in the performance of the officer's or employees' official duties.
8. In accordance with 24 Part 982.161 of the Federal Regulation, the following will hereby be adhered to by the staff members of the Office of the Section 8 Tenant-Based Programs.
  - A. Neither the PHA nor any of its contractors or subcontractors may enter into any contract or arrangement in connection with the tenant-based programs in which any of the following classes of persons has an interest, direct or indirect, during tenure or for one year thereafter:
    - (1) Any present or former member or officer of the PHA;
    - (2) Any employee of the PHA, or any contractor, subcontractor or agent of the PHA, who formulates policy or who influences decisions with respect to the programs;
    - (3) Any public official, member of a governing body, or State or local legislator, who exercises functions or responsibilities with respect to the programs;
    - (4) Any member of the Congress of the United States.
  - B. Any member of the classes described in paragraph (A) of this section must disclose

their interest or prospective interest to the PHA and HUD.

- C. The conflict of interest prohibition under this section may be waived by the HUD field office for good cause.

### ***SANCTIONS OR DISCIPLINARY ACTIONS***

The following disciplinary actions are hereby established and shall be imposed upon violators of the Code of Conduct enumerated, and pursuant to the right of appeal. These same actions can be imposed on an employee only after it has been determined that the employee has breached the Code.

Where such a determination has been made one or more of the following sanctions on the employee:

- ☐ Verbal Warning;
- ☐ Written Warning;
- ☐ Termination of Employment;
- ☐ Suspension of employment and wages for a maximum period of thirty (30) days;
- ☐ Suspension of employment, with remuneration.

The sanction involving the suspension of employment and wages or suspension with remuneration as well as termination of employment, the employee has a right to request and administrative review prior to a final determination. Additionally the sanctioned employee has the right to be represented by legal counsel, and shall enjoy all the legal rights due any accused under the constitutions, of both the Commonwealth of Puerto Rico and the United States of America.